

## 2017 Current Fiscal Year Report: Securities and Exchange Commission Advisory Committee on Small and Emerging Companies

Report Run Date: 06/06/2019 03:52:30 AM

<b>1. Department or Agency</b>	<b>2. Fiscal Year</b>
Securities and Exchange Commission	2017
<b>3. Committee or Subcommittee</b>	<b>3b. GSA Committee No.</b>

Securities and Exchange Commission Advisory Committee on Small and Emerging Companies	76904
--	-------

<b>4. Is this New During Fiscal Year?</b>	<b>5. Current Charter</b>	<b>6. Expected Renewal Date</b>	<b>7. Expected Term Date</b>
No	09/24/2015	09/24/2017	09/24/2017

<b>8a. Was Terminated During Fiscal Year?</b>	<b>8b. Specific Termination Authority</b>	<b>8c. Actual Term Date</b>
Yes	5 U.S.C. App. 14	09/24/2017

<b>9. Agency Recommendation for Next Fiscal Year</b>	<b>10a. Legislation Req to Terminate?</b>	<b>10b. Legislation Pending?</b>
Terminate	No	Not Applicable

**11. Establishment Authority** Agency Authority

<b>12. Specific Establishment Authority</b>	<b>13. Effective Date</b>	<b>14. Committee Type</b>	<b>14c. Presidential?</b>
Commission vote to establish committee	08/25/2011	Continuing	No

**15. Description of Committee** Other Committee

**16a. Total Number of Reports** 1

**16b. Report Date** Report Title

09/13/2017 Final Report of the Securities and Exchange Commission Advisory Committee on Small and Emerging Companies

**Number of Committee Reports Listed: 1**

**17a. Open** 4 **17b. Closed** 0 **17c. Partially Closed** 0 **Other Activities** 0 **17d. Total** 4

### Meetings and Dates

Purpose	Start	End
Presentation and discussion on Small Business Administration outreach and discussion of Corporate Board Diversity	12/07/2016	12/07/2016
Presentations and discussion of Secondary Market Liquidity for Reg A Tier 2 and Non-Exchange Listed Companies; Presentations and discussion of "Why are more companies staying private?"; Discussion of recommendation of Corporate Board Diversity	02/15/2017	02/15/2017
Presentation and Discussion on Underwriting Small Offerings; update on tick size pilot; NASAA presentation on 2016 Enforcement Report; consideration of recommendations on secondary market liquidity and Broker-Dealer status of finders	05/10/2017	05/10/2017

**Number of Committee Meetings Listed: 4**

	<b>Current FY</b>	<b>Next FY</b>
<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$109,270.00	\$0.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$29,832.00	\$0.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$599.00	\$0.00
<b>18d. Total</b>	\$139,701.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	0.49	0.00

**20a. How does the Committee accomplish its purpose?**

The Committee's objective was to provide the Commission with advice on its rules, regulations and policies, with regard to its mission of protecting investors, maintaining fair, orderly and efficient markets, and facilitating capital formation, as they relate to:(1) capital raising by emerging, privately-held small businesses and smaller public companies through securities offerings; (2) trading in the securities of emerging and smaller public companies; and (3) public reporting and corporate governance requirements of emerging and smaller public companies.

**20b. How does the Committee balance its membership?**

As explained in more detail in the Membership Balance Plan, the representative members of the Committee express the perspectives of emerging and smaller public companies engaging in private and limited securities offerings and/or considering initial public offerings and their professional advisers and investors, as well as the perspectives of state and federal securities regulators. Other balance factors include diversity of background, geography, industry and company size. The committee also contains voting and non-voting members. The non-voting members are included to express the perspectives of state and federal government regulators of companies and participants in the marketplace for the securities of emerging and smaller public companies.

**20c. How frequent and relevant are the Committee Meetings?**

The Committee held four meetings during fiscal year 2017. The Committee was terminated on September 24, 2017.

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The SEC's Advisory Committee on Small and Emerging Companies was necessary to provide the Commission with the views of emerging privately held companies and smaller held companies (companies with less than \$250 million in public market capitalization) as they relate to the Commission's rules, regulations and policies on capital raising by emerging companies and smaller public companies; trading in the securities of emerging companies and smaller public companies; and public reporting and corporate governance requirements of emerging companies and smaller public companies. On December 16, 2016, P.L. 114-284 became law. This legislation created a permanent Small Business Capital Formation Advisory Committee which shall provide advice to the SEC.

**20e. Why is it necessary to close and/or partially closed committee meetings?**

N/A

**21. Remarks**

The Committee members were appointed in January 2016, and the Committee met 5 times during Fiscal Year 2017.

**Designated Federal Officer**

William Hinman Director, Division of Corporation Finance

<b>Committee Members</b>	<b>Start</b>	<b>End</b>	<b>Occupation</b>	<b>Member Designation</b>
Aguilar, Robert	01/20/2016	09/24/2017	CFO and COO of Cabrera Capital Markets, LLC	Representative Member
Graham, Stephen	01/20/2016	09/24/2017	Managing Partner of Fenwick & West LLP's Seattle Office	Representative Member
Gutierrez, Xavier	01/20/2016	09/24/2017	President and Chief Investment Officer of Meruelo Investment Partners	Representative Member
Hahn, Brian	01/20/2016	09/24/2017	CFO, GlycoMimetics, Inc.	Representative Member
Hanks, Sara	01/20/2016	09/24/2017	CEO, CrowdCheck	Representative Member
Hauptman, Kyle	01/20/2016	01/25/2017	Executive Director of the Main Street Growth Project	Representative Member
Kassan, Jenny	01/20/2016	09/24/2017	Owner, Jenny Kassan Consulting	Representative Member
Mott, Catherine	01/20/2016	09/24/2017	Founder and CEO, BlueTree Capital Group	Representative Member
Nelson, Jonathan	01/20/2016	09/24/2017	Founder and CEO, Hackers/Founders	Representative Member
Pieciak, Michael	01/20/2016	09/24/2017	Deputy Commissioner, Securities Division, State of Vermont	Representative Member
Reardon, Patrick	01/20/2016	09/24/2017	Owner of The Reardon Firm	Representative Member
Shimkat, Lisa	01/20/2016	09/24/2017	State Director of America's Small Business Development Center at Iowa State University	Representative Member
Tierney, Annemarie	01/20/2016	09/24/2017	Vice President and Head of Strategy and New Markets at NASDAQ Private Market	Representative Member
Verret, J.W.	06/01/2017	09/24/2017	Associate Professor, Antonin Scalia Law School; Senior Scholar, Mercatus Center	Representative Member

Walsh, Mark	01/20/2016 01/20/2017	Associate Administrator, Office of Investment and Innovation, U.S. Small Business Administration	Regular Government Employee (RGE) Member
Yadley, Gregory	01/20/2016 09/24/2017	Partner, Shumaker, Loop & Kendrick LLP	Representative Member
Yamanaka, Laura	01/20/2016 09/24/2017	President and Co-Founder of teamCFO, Inc.	Representative Member

**Number of Committee Members Listed: 17**

### Narrative Description

The Committee's objective was to provide the Commission with advice on its rules, regulations and policies, with regard to its mission of protecting investors, maintaining fair, orderly and efficient markets, and facilitating capital formation, as they relate to:(1) capital raising by emerging privately held small businesses and smaller public companies through securities offerings; (2) trading in the securities of emerging and smaller public companies; and (3) public reporting and corporate governance requirements of emerging and smaller public companies.

### What are the most significant program outcomes associated with this committee?

Checked if Applies

Improvements to health or safety	<input type="checkbox"/>
Trust in government	<input type="checkbox"/>
Major policy changes	<input type="checkbox"/>
Advance in scientific research	<input type="checkbox"/>
Effective grant making	<input type="checkbox"/>
Improved service delivery	<input type="checkbox"/>
Increased customer satisfaction	<input type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

### Outcome Comments

Not Applicable

### What are the cost savings associated with this committee?

Checked if Applies

None	<input checked="" type="checkbox"/>
Unable to Determine	<input type="checkbox"/>
Under \$100,000	<input type="checkbox"/>
\$100,000 - \$500,000	<input type="checkbox"/>
\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>

\$5,000,001 - \$10,000,000

Over \$10,000,000

Cost Savings Other

☐  
☐  
☐

### **Cost Savings Comments**

Not Applicable

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

19

### **Number of Recommendations Comments**

Not Applicable

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

32%

### **% of Recommendations Fully Implemented Comments**

The Committee's recommendations regarding lifting the ban on general solicitation (1/6/12), Regulation A (2/1/12), and Section 12(g) registration thresholds (2/1/12) were implemented by the Jumpstart Our Business Startup Act and the corresponding SEC rulemaking. The recommendation regarding extending the comment period for Regulation D proposal (9/20/13) was implemented with the re-opening of the comment period on September 27, 2013. The recommendation regarding the 4(a)(1½) exemption (6/11/15) was implemented by the Fixing America's Surface Transportation Act of December 2015. The recommendation regarding modernizing Rule 147 (9/23/15) was implemented with Commission rulemaking on October 26, 2016.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

16%

### **% of Recommendations Partially Implemented Comments**

The Committee's recommendations regarding trading spreads for smaller exchange-listed companies (2/1/13) are being partially implemented by the Commission's pilot plan to assess stock market tick size impact for smaller companies. The recommendations regarding disclosure requirements for smaller companies (2/1/13) and expanded simplified disclosure for smaller issuers (9/23/15) have been partially implemented by the

Commission's proposal to expand the definition of Smaller Reporting Company. The recommendation regarding the Accredited Investor definition (3/9/15) was partially implemented by the SEC Staff report on the review of the definition released on December 18, 2015.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

Through the DFO

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input checked="" type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Action Comments**

Not Applicable

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

Not Applicable

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Access Comments**

Access provided as noted above